

108TH CONGRESS
1ST SESSION

S. 1404

AN ACT

To amend the Ted Stevens Olympic and Amateur Sports
Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “United States Olympic
5 Committee Reform Act”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds the following:

3 (1) There is a widespread loss of confidence in
4 the United States Olympic Committee.

5 (2) Restoring confidence in the United States
6 Olympic Committee is critical to achieving the origi-
7 nal intent of the Ted Stevens Amateur and Olympic
8 Sports Act.

9 (3) Confusion exists concerning the primary
10 purposes and priorities of the United States Olympic
11 Committee.

12 (4) The current governance structure of the
13 United States Olympic Committee is dysfunctional.

14 (5) The ongoing national corporate governance
15 debate and recent reforms have important implica-
16 tions for the United States Olympic Committee.

17 (6) There exists no clear line of authority be-
18 tween the United States Olympic Committee volun-
19 teers and the United States Olympic Committee paid
20 staff.

21 (7) There is a widespread perception that the
22 United States Olympic Committee lacks financial
23 transparency.

1 **SEC. 3. AMENDMENT OF TED STEVENS OLYMPIC AND AMA-**
 2 **TEUR SPORTS ACT.**

3 Except as otherwise expressly provided, whenever in
 4 this Act an amendment or repeal is expressed in terms
 5 of an amendment to, or repeal of, a section or other provi-
 6 sion, the reference shall be considered to be made to a
 7 section or other provision of the Ted Stevens Olympic and
 8 Amateur Sports Act (36 U.S.C. 220501 et seq.).

9 **SEC. 4. GOVERNANCE OF THE UNITED STATES OLYMPIC**
 10 **COMMITTEE.**

11 (a) IN GENERAL.—The Act (36 U.S.C. 220501) is
 12 amended by adding at the end the following:

13 “SUBCHAPTER III. GOVERNANCE
 14 “§ 220541. Board of directors

15 “(a) IN GENERAL.—The board of directors is the
 16 governing body of the corporation and shall establish the
 17 policies and priorities of the corporation. The board of di-
 18 rectors shall have the full authority to manage the affairs
 19 of the corporation.

20 “(b) STRUCTURE OF THE BOARD.—

21 “(1) IN GENERAL.—The board of directors
 22 shall consist of 9 elected members and the ex officio
 23 members described in paragraph (3).

24 “(2) ELECTED MEMBERS.—The elected direc-
 25 tors, elected as provided in subsection (g), are—

1 “(A) 5 independent directors, as defined in
2 the constitution and bylaws of the corporation;

3 “(B) 2 directors elected from among those
4 nominated by the Athletes’ Advisory Council,
5 who at the time of nomination meet the speci-
6 fications of section 220504(b)(2)(B) of this
7 title; and

8 “(C) 2 directors elected from among those
9 nominated by the National Governing Bodies’
10 Council.

11 “(3) EX OFFICIO MEMBERS.—The ex officio
12 members are—

13 “(A) the speaker of the assembly; and

14 “(B) the International Olympic Committee
15 member or members from the United States
16 who are required to be ex officio members of
17 the executive organ of the corporation under
18 the terms of the Olympic Charter.

19 “(c) TERMS OF OFFICE.—

20 “(1) ELECTED DIRECTORS.—The term of office
21 of an elected director shall be 4 years. An individual
22 elected to replace a director who does not serve a
23 full 4-year term shall be elected initially to serve
24 only the balance of the expired term of the member
25 that director replaces. No director shall be eligible

1 for reelection, except a director whose total period of
 2 service, if elected, would not exceed 6 years. The
 3 chair of the board shall be eligible to serve an addi-
 4 tional 2 years as required to complete his or her
 5 term as chair.

6 “(2) STAGGERED TERMS.—Notwithstanding
 7 paragraph (1), of the directors first elected to the
 8 board after the date of enactment of the United
 9 States Olympic Committee Reform Act—

10 “(A) 2 of the directors elected under para-
 11 graph (2)(A) shall be elected for terms of 2
 12 years;

13 “(B) 3 of the directors elected under para-
 14 graph (2)(A) shall be elected for terms of 4
 15 years;

16 “(C) 1 of the directors elected under para-
 17 graph (2)(B) shall be elected for a term of 2
 18 years;

19 “(D) 1 of the directors elected under para-
 20 graph (2)(B) shall be elected for a term of 4
 21 years;

22 “(E) 1 of the directors elected under para-
 23 graph (2)(C) shall be elected for a term of a
 24 term of 2 years; and

1 “(F) 1 of the directors elected under para-
 2 graph (2)(C) shall be elected for a term of a
 3 term of 4 years.

4 “(3) EX OFFICIO MEMBERS.—The speaker of
 5 the assembly shall serve as a non-voting ex officio
 6 member of the board while holding the position of
 7 speaker of the assembly. An International Olympic
 8 Committee member shall serve as an ex officio mem-
 9 ber of the board for so long as the member is a
 10 member of that Committee.

11 “(d) VOTING.—

12 “(1) ELECTED MEMBERS.—Each elected direc-
 13 tor shall have 1 vote on all matters on which the
 14 board votes, consistent with the constitution and by-
 15 laws of the corporation.

16 “(2) EX OFFICIO MEMBERS.—Each voting ex
 17 officio member shall have 1 vote on matters on
 18 which the ex officio members vote, consistent with
 19 the constitution and bylaws of the corporation, and
 20 the votes of the ex officio members shall be weighted
 21 such that, in the aggregate, the votes of all voting
 22 ex officio members are equal to the vote of one elect-
 23 ed director.

1 “(3) TIE VOTES.—In the event of a tie vote of
2 the board, the vote of the chair of the board shall
3 serve to break the tie.

4 “(4) QUORUM.—The board may not take action
5 in the absence of a quorum, which shall be 7 mem-
6 bers, of whom at least 3 shall be members described
7 in subsection (b)(2)(A).

8 “(e) CHAIR OF THE BOARD.—The board shall elect
9 1 of the members described in subsection (b)(2) to serve
10 as chair of the board first elected after the date of enact-
11 ment of the United States Olympic Committee Reform
12 Act. The chair of the board shall preside at all meetings
13 of the board and have such other duties as may be pro-
14 vided in the constitution and bylaws of the corporation.
15 No individual may hold the position of chair of the board
16 for more than 4 years.

17 “(f) COMMITTEES.—

18 “(1) IN GENERAL.—The board of directors
19 shall establish the following 4 standing committees:

20 “(A) The Audit Committee.

21 “(B) The Compensation Committee.

22 “(C) The Ethics Committee.

23 “(D) The Nominating and Governance
24 Committee.

1 “(2) COMMITTEE MEMBERSHIP.—The Com-
 2 pensation Committee shall consist of 3 board mem-
 3 bers selected by the board. The Audit Committee,
 4 Ethics Committee, and Nominating and Governance
 5 Committee shall each consist of—

6 “(A) 3 board members described in sub-
 7 section (b)(2)(A), selected by the board;

8 “(B) 1 board member described in sub-
 9 section (b)(2)(B), selected by the board; and

10 “(C) 1 board member described in sub-
 11 section (b)(2)(C), selected by the board.

12 “(3) ADDITIONAL COMMITTEES.—The board
 13 may establish such additional committees, sub-
 14 committees, and task forces as may be necessary or
 15 appropriate and for which sufficient funds exist.

16 “(g) NOMINATION AND ELECTION.—

17 “(1) IN GENERAL.—The nominating and gov-
 18 ernance committee shall recommend candidates to
 19 the board of directors to fill vacancies on the board
 20 as provided in the constitution and bylaws of the
 21 corporation. For each vacancy that is to be filled by
 22 a nominee of the Athletes’ Advisory Council or the
 23 National Governing Bodies’ Council, the Athletes’
 24 Advisory Council or the National Governing Bodies’
 25 Council shall recommend 3 individuals to the nomi-

1 nating and governance committee, which shall nomi-
 2 nate 1 of the recommended individuals to the board
 3 of directors.

4 “(2) RECUSAL OF MEMBERS ELIGIBLE FOR RE-
 5 ELECTION.—Any member of the nominating and
 6 governance committee who is eligible for re-election
 7 by virtue of serving for an initial term of less than
 8 2 years shall be recused from participation in the
 9 nominating and recommendation process.

10 “(3) BOARD TO ELECT MEMBERS.—Except as
 11 provided in section 4(c)(2) of the United States
 12 Olympic Committee Reform Act, the board of direc-
 13 tors shall elect directors from the candidates pro-
 14 posed by the nominating and governance committee.

15 **“§ 220542. Assembly**

16 “(a) IN GENERAL.—

17 “(1) FORUM FUNCTION.—The assembly shall
 18 be a forum for all stakeholders of the corporation.
 19 The assembly shall have an advisory function only,
 20 except as otherwise expressly provided in this chap-
 21 ter.

22 “(2) VOTING ON MATTERS RELATING TO THE
 23 OLYMPIC GAMES.—The assembly shall have the right
 24 to vote on, and shall have ultimate authority to de-
 25 cide, matters relating to the Olympic Games. The

1 board of directors shall determine whether a matter
 2 is a question relating to the Olympic Games on
 3 which the assembly is entitled to vote. The deter-
 4 mination of the board shall be final and binding.

5 “(3) MEETINGS.—The assembly shall convene
 6 annually in a meeting open to the public. The board
 7 of directors may convene special meetings of the as-
 8 sembly.

9 “(4) ANNUAL BUDGET.—The board of directors
 10 shall establish an annual budget for the assembly, as
 11 provided in the constitution and bylaws of the cor-
 12 poration. In establishing the budget, the board of di-
 13 rectors shall take into account the interest of the
 14 corporation in minimizing the costs associated with
 15 the assembly.

16 “(b) STRUCTURE OF THE ASSEMBLY.—

17 “(1) IN GENERAL.—The assembly shall consist
 18 of—

19 “(A) representatives of the constituencies
 20 of the corporation specified in section 220504
 21 of this title (other than former United States
 22 Olympic Committee members);

23 “(B) the International Olympic Commit-
 24 tee’s members for the United States; and

1 “(C) not more than 3 individuals who have
 2 represented the United States in an Olympic
 3 Games not within the preceding 10 years, se-
 4 lected through a process to be determined by
 5 the board of directors in accordance with the
 6 constitution and bylaws of the corporation.

7 “(2) AMATEUR ATHLETE REPRESENTATION.—
 8 Amateur athletes shall constitute not less than 20
 9 percent of the membership in the assembly.

10 “(c) VOTING.—

11 “(1) REPRESENTATIVES OF THE NATIONAL
 12 GOVERNING BODIES.—Representatives of the na-
 13 tional governing bodies shall constitute not less than
 14 51 percent of the voting power held in the assembly.

15 “(2) AMATEUR ATHLETES.—Amateur athletes
 16 shall constitute not less than 20 percent of the vot-
 17 ing power held in the assembly.

18 “(d) SPEAKER OF THE ASSEMBLY.—The speaker of
 19 the assembly shall be a member of the assembly (who, as
 20 a member, is entitled to vote) who is elected by the mem-
 21 bers of the assembly for a 4-year term. An individual may
 22 not serve as speaker for more than 4 years. The speaker
 23 shall preside at all meetings of the assembly and serve as
 24 a non-voting ex officio member of the board of directors
 25 as provided in section 220541. The speaker shall have no

1 other duties or powers (other than the right to vote), ex-
 2 cept as may be expressly assigned by the board of direc-
 3 tors.

4 **“§ 220543. Chief executive officer**

5 “(a) IN GENERAL.—The corporation shall have a
 6 chief executive officer who shall not be a member of the
 7 board of directors. The chief executive officer shall be se-
 8 lected by, and shall report to, the board of directors, as
 9 provided in the constitution and bylaws of the corporation.
 10 The chief executive officer shall be responsible, with board
 11 approval, for filling other key senior management posi-
 12 tions as provided in the constitution and bylaws of the cor-
 13 poration.

14 “(b) DUTIES.—The chief executive officer shall, ei-
 15 ther directly or by delegation—

16 “(1) manage all staff functions and the day-to-
 17 day affairs and business operations of the corpora-
 18 tion, including but not limited to relations with
 19 international organizations; and

20 “(2) implement the mission and policies of the
 21 corporation, as determined by the Board.

22 **“§ 220544. Whistleblower procedures and protections**

23 “The corporation, through the board of directors,
 24 shall establish procedures for—

1 “(1) the receipt, retention, and treatment of
 2 complaints received by the corporation regarding ac-
 3 counting, auditing or ethical matters; and

4 “(2) the protection against retaliation by any
 5 officer, employee, director or member of the corpora-
 6 tion against any person who submits such com-
 7 plaints.

8 **“§ 220545. Ethics and compliance**

9 “(a) IN GENERAL.—The ethics committee shall be re-
 10 sponsible for oversight of—

11 “(1) all matters relating to ethics policy and
 12 practices of the corporation’s employees, board mem-
 13 bers, and volunteers;

14 “(2) officers or directors of a member organiza-
 15 tion insofar as their activities relate to corporation
 16 business; and

17 “(3) paid and volunteer leadership staff of a bid
 18 city organization for activities that relate directly to
 19 the bid city process.

20 “(b) INTERNAL ETHICS OFFICER.—

21 “(1) IN GENERAL.—The board of directors
 22 shall employ and fix the compensation of a chief eth-
 23 ics officer to implement the ethics policy for the cor-
 24 poration.

1 “(2) DUTIES.—The ethics committee shall es-
 2 tablish policies and procedures to delineate the du-
 3 ties of the chief ethics officer.

4 “(3) LINE OF AUTHORITY.—

5 “(A) IN GENERAL.—The chief ethics offi-
 6 cer shall report to the chief executive officer of
 7 the corporation.

8 “(B) CERTAIN PARTIES.—Notwithstanding
 9 subparagraph (A), the chief ethics officer shall
 10 report to the ethics committee whenever an al-
 11 leged violation involves—

12 “(i) senior management or directors
 13 of the corporation;

14 “(ii) officers or directors of a member
 15 organization;

16 “(iii) a bid city; or

17 “(iv) the International Olympic Com-
 18 mittee.

19 “(c) ETHICS POLICY.—The ethics committee shall es-
 20 tablish an ethics policy for the corporation, subject to the
 21 approval of the board of directors, modeled upon the best
 22 practices used in corporate and government offices. The
 23 policy shall include—

24 “(1) a conflict of interest policy;

25 “(2) an anti-discrimination policy;

1 “(3) a workplace harassment policy;

2 “(4) a gift, travel reimbursement, honorarium,
3 and outside income policy;

4 “(5) a financial propriety policy, including a
5 prohibition on loans to corporation officers and em-
6 ployees;

7 “(6) a bid-city policy which includes a trans-
8 parent and objective set of criteria published in ad-
9 vance by which the corporation will choose a United
10 States city to submit a bid to the International
11 Olympic Committee for an Olympic games, which
12 adheres in all respects to the rules and ethics guide-
13 lines of the Olympic Charter and the International
14 Olympic Committee, and which applies to the leaders
15 and staff of a city, or organizations representing a
16 bid city, that file an official bid with the corporation
17 to host Olympic games;

18 “(7) potential sanctions and penalties for viola-
19 tions of the ethics policy, which may include removal
20 from corporation duties;

21 “(8) a procedure for reporting and investigating
22 potential ethics violations; and

23 “(9) procedures to assure due process for any
24 individual accused of an ethics violation, including—

1 “(A) a timely hearing before the ethics
2 committee;

3 “(B) the right to be represented by coun-
4 sel; and

5 “(C) access to all documentation and state-
6 ments that would be used in an ethics pro-
7 ceeding against that individual.

8 “(d) WRITTEN STATEMENT REQUIRED.—All mem-
9 bers of the board, employees, and officers, directors of
10 member organizations, and leaders or representatives of
11 United States bid cities must sign a statement that they
12 have read the corporation’s ethics policy and agree to
13 abide by its rules.

14 “(e) ETHICS COMMITTEE ADJUDICATION OF VIOLA-
15 TIONS.—When the ethics committee determines that an
16 individual has violated the corporation’s ethics policy, it
17 will report to the Board and may make recommendations
18 for action to be taken.

19 “(f) INVESTIGATION, REPORTING, AND REVIEW PRO-
20 CEDURES.—The ethics committee shall establish a proce-
21 dure for the prompt review and investigation of ethics vio-
22 lations, and establish regular reporting and review proce-
23 dures to document the number and types of complaints
24 or issues brought to the ethics committee and the ethics
25 officer.

1 “(g) OUTSIDE COUNSEL.—The ethics committee may
2 hire outside counsel to conduct investigations, report find-
3 ings, and make recommendations.

4 “(h) BID CITY DEFINED.—In this section, the term
5 ‘bid city’ means 1 or more cities, States, regional organiza-
6 tions, or other organizations that file an official bid with
7 the corporation to be chosen as the site nominated by the
8 United States to the International Olympic Committee to
9 host an Olympic Games.”.

10 (b) TRANSITION.—The individuals serving as mem-
11 bers of the board of directors of the United States Olympic
12 Committee on the date of enactment of this Act shall con-
13 tinue to serve as the board of directors until a board of
14 directors has been elected under subsection (c)(2) of this
15 section.

16 (c) INITIAL NOMINATING AND GOVERNANCE COM-
17 MITTEE.—

18 (1) IN GENERAL.—Until the initial board of di-
19 rectors has been elected and taken office, the nomi-
20 nating and governance committee required by sec-
21 tion 220541(f) of title 36, United States Code, shall
22 consist of—

23 (A) 1 individual selected by the Athlete’s
24 Advisory Council from among its members;

1 (B) 1 individual selected by the National
 2 Governing Bodies' Council from among its
 3 members;

4 (C) 1 individual selected by the public-sec-
 5 tor directors of the United States Olympic
 6 Committee from among such directors serving
 7 on the date of enactment of this Act;

8 (D) 1 individual selected by the Inde-
 9 pendent Commission on Reform of the estab-
 10 lished by the United States Olympic Committee
 11 in March, 2003, from among its members, who
 12 shall chair the committee; and

13 (E) 1 individual selected by the Govern-
 14 ance and Ethics Task Force established by the
 15 United States Olympic Committee in February,
 16 2003, from among its members.

17 (2) ELECTION OF NEW BOARD OF DIREC-
 18 TORS.—The nominating and governance committee
 19 established by paragraph (1) shall—

20 (A) elect an initial board or directors who
 21 shall serve for the terms provided in section
 22 220541(c)(2) of title 36, United States Code;
 23 and

24 (B) elect 1 of the members described in
 25 section 220541(b)(2)(A) of that title to serve as

1 chair until the terms of the members elected
 2 under subparagraph (A) have expired.

3 (d) CONFORMING AMENDMENTS.—

4 (1) REPRESENTATION REQUIREMENTS.—Sec-
 5 tion 220504(b) is amended—

6 (A) by striking “representation of—” and
 7 inserting “representation on its board of direc-
 8 tors and in its assembly of—”; and

9 (B) by striking subparagraph (B) of para-
 10 graph (2) and inserting the following:

11 “(B) ensure that—

12 “(i) the membership and voting power
 13 of such amateur athletes is not less than
 14 20 percent of the membership and voting
 15 power of each committee, subcommittee,
 16 working group, or other subordinate deci-
 17 sion-making group, of the corporation; and

18 “(ii) the voting power held by mem-
 19 bers of the board of directors who were
 20 nominated by the Athlete’s Advisory Coun-
 21 cil is not less than 20 percent of the total
 22 voting power held in the board of direc-
 23 tors;”.

24 (2) CONSTITUTION AND BYLAWS.—Section
 25 220505(a) is amended—

1 (A) by striking “bylaws.” and inserting
 2 “bylaws consistent with this chapter, as deter-
 3 mined by the board of directors. The board of
 4 directors shall adopt and amend the constitu-
 5 tion and bylaws of the corporation, consistent
 6 with this chapter.”;

7 (B) by inserting “the board of directors
 8 proposes and approves by majority vote such an
 9 amendment and” after “only if”; and

10 (C) by striking “publication,” in paragraph
 11 (1) and inserting “publication and on its
 12 website,”.

13 (3) OMBUDSMAN TO REPORT TO BOARD OF DI-
 14 RECTORS.—Section 220509(b) is amended—

15 (A) by inserting “the board of directors
 16 and” in paragraph (1)(C) after “report to”;

17 (B) by striking “corporation’s executive di-
 18 rector” in paragraph (2)(A)(i) and inserting
 19 “board of directors”;

20 (C) by striking clauses (ii) and (iii) of
 21 paragraph (2)(A) and inserting the following:

22 “(ii) The board of directors shall hire
 23 or not hire such person after fully consid-
 24 ering the advice and counsel of the Ath-
 25 lete’s Advisory Council.”;

1 (D) by striking “corporation” the first
 2 place it appears in paragraph (2)(B) and in-
 3 serting “board of directors”;

4 (E) by striking “to the corporation’s execu-
 5 tive committee by either the corporation’s exec-
 6 utive director” in paragraph (2)(B)(ii) and in-
 7 serting “by 1 or more members of the board of
 8 directors”; and

9 (F) by striking “corporation’s executive
 10 committee” in paragraph (2)(B)(iii) and insert-
 11 ing “board of directors”.

12 (4) ELIGIBILITY REQUIREMENTS.—Section
 13 220522(a)(4)(B) is amended by striking “corpora-
 14 tion’s executive committee” and inserting “board of
 15 directors”.

16 (5) CHAPTER ANALYSIS.—The chapter analysis
 17 for chapter 2205 is amended by adding at the end
 18 the following:

“SUBCHAPTER III. GOVERNANCE

“220541. Board of directors

“220542. Assembly

“220543. Chief executive officer

“220544. Whistleblower procedures and protections

“220545. Ethics and compliance”.

19 **SEC. 5. REPORTS.**

20 Section 220511 is amended—

21 (1) by striking so much of subsection (a) as
 22 precedes paragraph (2) and inserting the following:

1 “(a) BIENNIAL REPORT.—On or before the first day
 2 of June of every other year, the corporation shall transmit
 3 simultaneously to the President and to each House of Con-
 4 gress a detailed report of its operations for the preceding
 5 2 years, including—

6 “(1) annual financial statements—

7 “(A) audited in accordance with generally
 8 accepted accounting principles by an inde-
 9 pendent certified public accountant; and

10 “(B) certified by the chief executive officer
 11 and the chief financial officer of the corporation
 12 as to their accuracy and completeness;”;

13 (2) by striking “4-year period;” in subsection
 14 (a)(2) and inserting “2-year period;” and

15 (3) by inserting “free of charge on its website
 16 (or via a similar medium that is widely available to
 17 the public), and otherwise” in subsection (b) after
 18 “persons”.

19 **SEC. 6. RELOCATION OF HEADQUARTERS.**

20 Section 220508 is amended—

21 (1) by inserting “(a) IN GENERAL.—” before
 22 “The corporation shall”; and

23 (2) by adding at the end the following:

24 “(b) RELOCATION OF HEADQUARTERS.—The cor-
 25 poration may not relocate its principal office and national

1 headquarters after the date of enactment of the United
 2 States Olympic Committee Reform Act unless—

3 “(1) the board of directors determines that re-
 4 location of the principal office and national head-
 5 quarters is in the best interests of the corporation;

6 “(2) the board, by rollcall vote, agrees unani-
 7 mously to refer the proposed relocation of the prin-
 8 cipal office and national headquarters to the assem-
 9 bly for its concurrence; and

10 “(3) the assembly, by a vote of not less than
 11 three-fifths of its members duly chosen and quali-
 12 fied, concurs in the determination of the board.”.

13 **SEC. 7. SENIOR OLYMPICS.**

14 Notwithstanding section 220506(a) of title 36,
 15 United States Code, the National Senior Games Associa-
 16 tion of Baton Rouge, Louisiana, is authorized to use the
 17 words “Senior Olympics” to promote national athletic
 18 competition among senior citizens.

Passed the Senate September 23, 2003.

Attest:

Secretary.

108TH CONGRESS
1ST SESSION

S. 1404

AN ACT

To amend the Ted Stevens Olympic and Amateur
Sports Act.